

VZCZCXYZ0001
PP RUEHWEB

DE RUEHDR #1430/01 2350918
ZNR UUUUU ZZH
P 230918Z AUG 06
FM AMEMBASSY DAR ES SALAAM
TO RUEHNR/AMEMBASSY NAIROBI PRIORITY 0223
RUEHC/SECSTATE WASHDC PRIORITY 4629

UNCLAS DAR ES SALAAM 001430

SIPDIS

SIPDIS

DEPT EB/CBA FOR D WINSTEAD; AF/EPS FOR T HASTINGS;
AF/E FOR B YODER
NAIROBI FCS FOR E YAGI

E.O. 12958: N/A
TAGS: [AFIN](#) [BEXP](#) [BTIO](#) [ECON](#) [EINV](#) [ETRD](#) [ADPM](#) [TZ](#)
SUBJECT: TANZANIA'S FY06 BFIF PROGRAMS

REF: STATE 127166

1. (U) SUMMARY. FY 2006 funds from the Business Facilitation Incentive Fund (BFIF) enabled Post's participation in the 30th Dar es Salaam International Trade Fair (DITF) and the International Franchise Expo (IFE) both held in June 2006. By exhibiting with the first-prize winning USA pavilion at the DITF, U.S. affiliated companies and non-profit organizations achieved valuable brand promotion, received orders and made important business contacts. One company has reported over USD 2 million in sales of U.S. equipment linked to its exhibit at DITF 2006. Participation in the IFE also proved highly successful, with one Tanzanian entrepreneur finalizing a franchise agreement and paying initial fees for two additional franchises. BFIF allocated a total of USD 14,075 for both activities: USD 10,500 for DITF and USD 3,575 for IFE. Of the total BFIF funds allocated, post's expenditures amounted to USD 12,873.51; a balance of USD 1,201.49 remains in fund cite. END SUMMARY.

USA Pavilion at Saba Saba

2. (U) BFIF allocated USD 10,500 for post's participation in the 30th Dar es Salaam International Trade Fair (DITF), known locally as "Saba Saba." Total costs amounted to USD approximately USD 9,493. The following budget outlines the costs associated with post's coordination of the USA pavilion:

Item	Cost (USD)
Booth Space	5,875.00
FCS Travel and per diem	1,999.13
Pavilion Decorations/Cleaning	690.71
Welcome Banner	278.62
Catalogue	383.73
Transport Admission Badge	239.23
Generator petrol/padlock	27.03
TOTAL:	9,493.45

3. (U) The following participants exhibited within the USA pavilion from June 29 to July 9, 2006:

- TechnoServe (USAID partner)
- DAI Pesa (USAID partner)
- Kickstart (USAID partner)
- Caltex
- Colgate-Palmolive
- World Initiative for Soy in Human Health
- SSTL Security Group
- Goodyear Tyres
- Elite Computers (distributing Apple computers and ipods)
- Nufaika (sole distributors of Proctor and Gamble products)

such as Pringles)
-- U.S. Foreign Commercial Service, Nairobi

¶4. (U) For our partners, the U.S. affiliated companies and organizations listed above, exhibiting at the DITF provided an invaluable opportunity for brand promotion at a two-week event attracting more than 300,000 visitors. Colgate-Palmolive, for example, distributed over 10,000 brochures on "dental tips" to educate the Tanzanian public about oral hygiene and Caltex used the opportunity to introduce new lubricant products to the market place. SSTL Security Group, which sells U.S. security equipment from GE, Astrophysics and Honeywell, has reported USD 2 million in sales stemming from its DITF participation. The U.S. Embassy won first prize for "best foreign exhibitor" and, most importantly, the USA pavilion provided an excellent opportunity for outreach and education on key Embassy services and USG programs including, the African Growth and Opportunity Act (AGOA), Foreign Commercial Services (FCS) from Gold Key to International Partner Searches, and Public Diplomacy's "Information Resource Center" for educational advising.

Thirteen Entrepreneurs to International Franchise Expo

¶5. (U) BFIF set aside USD 3,575 for post's coordination of a Tanzanian business delegation to the 2006 International Franchise Expo (IFE). Total costs amounted to USD 3,380. The following budget outlines the travel and per diem costs for one locally employed staff, Frederick Maeda, to escort the delegation of 13 Tanzanian entrepreneurs to the IFE:

Item	Cost (USD)
Airfare for F Maeda	1,402.06
Travel Voucher for F Maeda	1,978.00
TOTAL:	3,380.00

¶6. (U) In spring 2006, post recruited 13 Tanzanian private sector participants for the 2006 IFE, which took place from June 2-4 at the Washington D.C. Convention Center. The Embassy's Commercial Assistant, Frederick Maeda, escorted the group of participants more than half of whom had never traveled to the U.S. before. The delegation represented a cross section of Tanzania's small and medium sized entrepreneurs (SME) in line with the 2006 IFE's theme of franchising as a tool for SMEs. The following Tanzanian entrepreneurs attended the 2006 IFE:

-- Rosemary Kitilya, CEO of H&R Consultants
-- Dr. Jabu Mwashu, Managing Director of Tan Veterina
-- Amedeus Chaky, Managing Director of Ametech Tanzanian Trading Company
-- Charles Singili, CEO of Azania Bancorp
-- Joseph Kusaga, CEO of Clouds FM Radio Station
-- Ally Madikah, CEO of Atma Electronics and Software
-- Constantine Mnzeru, Atma Electronics
-- Kulwa Mapigano, Operations Manager of Planatel
-- Malik Alani, CEO of Topic64 Computer
-- Lukonge0M`cnvr+2RK`qjQDaeG.QYp)vgja""QtGdQQQQ veral positive results including:

-- One franchise agreement finalized (Total: USD 250,000)
Amadeus Chacky finalized a franchise agreement for Sign-A-Rama, which he had initiated in 2004. Chacky transferred USD 250,000 for the needed equipment to begin operations in Tanzania.

-- Two new franchise agreements signed (Total: USD 60,000)
Amedeus Chacky bought two more U.S. franchises, EmbroidMe and Billboard Connection, which are sister companies to Sign-A-Rama. Chacky paid USD 60,000 as initial fees for a Master Franchise Agreement for East and Central Africa.

-- Mutual Non-Disclosure Agreement signed: Ally Madikah of Atma Electronics has entered into a Mutual Non-Disclosure Agreement and negotiations regarding potential partnership with Business COM, an internet franchise involving service

equipment and bandwidth provision.

-- Potential ventures on horizon: Ally Madikah is also now working with Tiffany Marble Molds International, which is based in California, to explore possibilities of establishing a marble project in Tanzania. Dr. Jabu Mwasha of Tan Veterina reported that he is currently working to acquire FACES, a cosmetic franchise business with more than 50 stores worldwide and Joseph Kusanga of Clouds FM is in discussions with Black Entertainment Television (BET) for acquisition of television broadcasting equipment.

Comment: BFIF Effective Tool for Private Sector Outreach

18. (U) Tangible results from 2006 BFIF-funded activities include the sale of more than USD 2 million in U.S. security equipment and three additional U.S. franchises: Sign-A-Rama, EmbroidMe, and Billboard Connection. Through their feedback, however, participants in both the DITF and IFE, have emphasized intangible, yet equally important, results such as brand promotion, public outreach, exposure to new business models and new business contacts. Post appreciates BFIF support and believes funding crucial to advance private sector strengthening efforts in Tanzania's transitioning economy. END COMMENT.
RETZER